1	ROUGH I	<u>PRAFT</u>
2		ATES DISTRICT COURT STRICT OF LOUISIANA
3	BASIEKN DI	SIRICI OF BOOTSTANA
4	*********	***********
5	IN RE: PROPULSID PRODUCTS LIABILITY LITIGATION	MDL No. 1335 SECTION "L"
6		New Orleans, Louisiana Thursday, June 21, 2001
7		9:00 a.m.
8	*********	**********
9	TRANSCRIPT	OF STATUS CONFERENCE
10	HEARD BEFORE THE	HONORABLE ELDON E. FALLON ATES DISTRICT JUDGE
11		
12	APPEARANCES:	
13	FOR THE PLAINTIFFS:	HERMAN, MIDDLETON, CASEY & KITCHENS BY: LEONARD A. DAVIS, ESQ. 820 O'KEEFE AVENUE, SUITE 100
15		New Orleans, LA 70113
16		DOMENGEAUX, WRIGHT, ROY & EDWARDS BY: BOB F. WRIGHT, ESQ.
17		556 Jefferson Street, Suite 500 Lafayette, Louisiana 70502-3668
18		
19		LEVIN, MIDDLEBROOKS, THOMAS, MITCHELL, GREEN, ECHSNER, PROCTOR
20		& PAPANTONIO BY: KIM EVERS, ESQ.
21		316 S. Baylen Street, Suite 600 Pensacola, FL 32501
22		
23		BECNEL, LANDRY & BECNEL BY: DANIEL E. BECNEL, JR., ESQ.
24		106 West Seventh Street Reserve, LA 70084-0508
25		

1	ROUGH DRAFT
2	
3	APPEARANCES CONTINUED:
4	MURRAY LAW FIRM BY: JULIE JACOBS, ESQ.
5	909 Poydras Street, Suite 2550 New Orleans, LA 70112-4000
6	NEBLETT, BEARD & ARSENAULT
7	BY: RICHARD J. ARSENAULT, ESQ. 2220 Bonaventure Court
8	Alexandria, LA 71301
9	CAUTHIED DOWNING LODADDE
10	GAUTHIER, DOWNING, LaBARRE, BEISER & DEAN BY: JAMES R. DUGAN, II, ESQ.
11	3500 N. Hullen Street Metairie, LA 70002
12	MCCUITIC, DA 70002
13	ZIMMERMAN, REED P.L.L.P. BY: CHARLES ZIMMERMAN, ESQ.
14	901 North Third Street, Suite 100 Minneapolis, MN 55401
15	
16	HARTLEY, O'BRIEN, PARSONS, THOMPSON & HILL
17	BY: BARRY HILL, ESQ. 1325 National Road
18	Wheeling, WV 26003
19	BARRIOS, KINGSDORF & CASTEIX
20	BARRIOS, RINGSDORF & CASTEIX BY: DAWN M. BARRIOS, ESQ. 701 Poydras Street, Suite 3650
21	New Orleans, Louisiana 70139
2 2	CUNARD REIS LAW FIRM
23	BY: REBECCA CUNARD, ESQ. 9214 Interline Avenue
24	Baton Rouge, Louisiana 70809
25	CUMMINGS, CUMMINGS & DUDENHEFER

BY: PAUL D. WALTHER, ESQ.

416 Gravier Street

25

1 ROUGH DRAFT New Orleans, Louisiana 70130 2 APPEARANCES CONTINUED: 3 CALUDA & REBENACK 4 BY: ALBERT J. REBENACK, ESQ. 5 1340 Poydras Street, Suite 2110 New Orleans, Louisiana 70112 6 LEVIN, FISHBEIN 7 BY: FRED S. LONGER, ESQ. 510 Walnut Street, Suite 500 8 Philadelphia, Pennsylvania 19301 9 ROBINSON, CALCAGNIE & ROBINSON BY: CARLOS PRIETTO, ESQ. 10 620 Newport Center Drive, 7th Floor Newport Beach, California 92660 11 FOR THE DEFENDANTS: IRWIN, FRITCHIE, URQUHART & MOORE 12 BY: JAMES B. IRWIN, ESQ. QUENTIN URQUHART, ESQ. 13 400 Poydras Street, Suite 2700 New Orleans, LA 70130 14 15 16 17 18 19 20 21 22 23 24 25

1 ROUGH DRAFT APPEARANCES CONTINUED: 2 DRINKER, BIDDLE & SHANLEY 3 THOMAS F. CAMPION, ESQ. 500 Campus Drive Florham Park, NJ 07932-1047 4 5 PREUSS, SHANAGHER, ZVOLEFF & ZIMMER CHARLES F. PREUSS, ESQ. 6 BY: 225 Bush Street, 15th Floor 7 San Francisco, CA 94104-4207 FOR CARR DRUGS: DUPLASS, ZWAIN, BOURGEOIS & MORTON BY: MIRIAM McMICHAEL, ESQ. 9 3838 N. Causeway Boulevard Lakeway III - Suite 2900 Metairie, Louisiana 70002 10 FOR BROW MORRIS PHARMACY: PHELPS DUNBAR 11 BY: VIRGINIA TRAINOR, ESQ. 12 365 Canal Street, Suite 2000 New Orleans, Louisiana 70130 13 FOR CLINIC DRUGSTORE: FRANK FOSTER, ESQ. 14 Official Court Reporter: KAREN A. IBOS 15 501 Magazine Street, Room 406 New Orleans, Louisiana 70130 16 (504) 589-7776 17 18 Proceedings recorded by mechanical stenography, transcript 19 produced by computer. 20 21 22 23 24 25

PROCEEDINGS

(THURSDAY, JUNE 21, 2001)

(STATUS CONFERENCE)

THE COURT: Be seated, please. Good morning, ladies and gentlemen. Let's call the case, please.

THE DEPUTY CLERK: Multi-District Litigation 1355,

Propulsid Products Liability Litigation.

THE COURT: Counsel make the appearance for the record.

MR. WRIGHT: Good morning, your Honor my name is Bob Wright, with the permission of court I'll stand in for Russ Herman who is little busy some place else today.

MR. IRWIN: Good morning, your Honor, Jim Irwin for defendants.

THE COURT: This is our monthly meeting. The parties have given to me a report of the material matters that we are to discuss today. I'd like to go through them, the Master Complaint first.

MR. IRWIN: Your Honor, with respect to the Master

Complaint and Answer, Item 1 on the joint report and also we

would suggest it would be sensible to include that in

discussion Item 12 which is the scheduling of presentation of

the class certification motion.

With respect to those combined topics, I believe

2.4

that we are now to the point where the PLC, the Plaintiff's

Steering Committee are in the process of completing their

preparation of a Master Complaint. I believe we've resolved

the general concerns about that.

With respect to the presentation of the class certification question, we have furnished to Mr. Herman's office, we did this last week, a proposed schedule for the presentation of the class certification issue to your Honor. The schedule includes class discovery, it includes the preparation, a deadline for preparation of the filing of the Master Complaint to encapsulate all of these classes, the allegations for class certification under medical monitoring and under theories.

It provides for a schedule of discovery as I said, also for the presentation and filing of expert reports, if any, expert discovery, a Daubert hearing, if a Daubert hearing is appropriate, and then of course motions, brief and a presentation finally to your Honor in December of the hearing. And which would allow this issue to be submitted to your Honor by the end of the year.

We think that the schedule is not an aggressive schedule yet not a conservative schedule, we would like to think it's sort of down the middle of the road. We have presented that to Mr. Herman and he has been tied up in the

1.8

2.4

tobacco trial and very busy and has not been able to look at that and we understand that fully.

We have had discussions about that with their office, and what we would like to do and we think we will be able to, is work out an agreement with respect to the schedule, tune it up. If we cannot work out an agreement with respect to the schedule, we would like to present to your Honor to resolve whatever issues we are unable to resolve at the next hearing in July, which right now is July 19.

THE COURT: Let me just talk with you a little bit on that. Let's assume first that you're able to work it out. If you are able to work it out, give me a heads up when you have reached some consensus, and I'd like to meet with liaison counsel in a pretrial conference to go over some of the logistics and get some ideas from you as to how you intend to proceed so I can schedule dates and times.

If you can't work it out totally, work out what you can work out and then if you have one or two or however many items in which you cannot reach a consensus, give me each side of them so that I can make the cut on it. And I'll do it that way.

How do you plan to proceed, maybe you haven't reached that point yet, with regard to the class certification?

Are you looking to have certification by state or how do you

plan it?

1 1

2.0

MR. IRWIN: Judge, I think that Mr. Herman would probably have to answer that question or perhaps Mr. Wright, but we have prepared a chart which we are going to give to Mr. Herman's office with a letter today or tomorrow sort of setting up what we think would need to be the timing for such a motion in order to bring it on for hearing this coming July 19th. But the chart describes, I think that there are 19 class actions, putative class actions pending in your Honor's court.

Of those 19 class actions there is an array of theories of class certification, a couple are 23(b)(3) personal injury classes, a couple are state wide emanating from the various states.

THE COURT: Are there 19 states or less than 19 states?

MR. IRWIN: There are less than 19 states.

THE COURT: So several of them are seeking class certification at the same time they're competing class certification?

MR. IRWIN: Yes, your Honor. There are not 19 states.

I don't have the chart in front of me. I would say there are 8
to 10 states perhaps.

Many, if not all, of the complaints seek certification for various theories of medical monitoring, a consumer seeking injunctive relief, there are several class

2.0

actions of a consumer nature, and I think this chart is helpful in that it would provide sort of the landscape of how one would assemble a Master Complaint to capture all of these theories, and then we would address them in discovery and motion and them have presented to you.

THE COURT: It just seems to me conceptually, and I don't have it set out in specificity in my mind because I'm just beginning to focus on it conceptually, but it would seem to me that some of the aspects of the case would be specific for each state, there may be a situation where causation, for example, might cut across state lines and maybe perhaps issues of causation may or may not be national. But it would be difficult for me conceptually to see how you can deal nationally with fault with it being so different in each state.

MR. IRWIN: I think that would be part of the process of why we would benefit from a Master Complaint and why would then try to sort through these complaints in an orderly way because many of them just seek to certify state classes recognizing the challenges of choice of law.

Some, a couple are national classes. Those that are medical monitoring. When you talk about causation, especially in the context of medical monitoring, that is where Daubert might factor into this process because the parties are likely to have genuine disagreements as to whether there is

causation that would require medical monitoring in the future.

So Daubert might very well be a solution to some of those aspects of the class certification question. That's why we have factored Daubert into this schedule.

THE COURT: And on that basis, I am beginning to think in terms of a 706 expert on scientific issues; we've been talking about a 706 expert in the technological aspect of the case, but conceivably this may get to a point where I need some help on the causation standpoint, too.

Some courts in matters of this sort have found it helpful to have the parties' experts conduct a tutorial for the judge in which the basic scientific principles can be set forth. I may or may not need that.

In addition, it might be helpful to have the experts prepare a bibliography of material that I can use to get up to speed on the basic relevant scientific principles or chemical structure of the product.

MR. IRWIN: I know that, Judge, we as lawyers, have required education about things such as EKGs and QT prolongation and what not, and I suspect that there are good teachers that we have access to and that Mr. Herman's side has access to that could provide that to the Court, and that might be something we want to talk about in connection with this class certification schedule.

1.3

ROUGH DRAFT

If, and I had a question for your Honor, if we are able to generally work this schedule out, and I hope we can in the next couple of weeks, would it be appropriate then to come see you before the July conference?

THE COURT: I think so. What I see is that if you can work it out, get to me and we'll set up an informal conference, sort of pretrial or prehearing conference and talk about the logistics of it in the conference room just to discuss the logistics and the best way of proceeding and how many days you're going to need and how we're going to proceed and things of that sort. I think that would be the best way of going about it.

MR. IRWIN: That's what we'll work towards, your Honor.

THE COURT: You also should know that there's a program going on now, somewhat of a pilot program in the federal system whereby lists of potential court appointed experts are made available to the Court. These experts can be used to assist the Court in dealing with technical or scientific evidence.

And if I go that route I'll discuss it with you before I do it and give you some idea as to who I'm using and make available whatever material they give me you can see what I'm doing.

Okay. Any comments from Plaintiff's side?

MR. WRIGHT: Your Honor, we certainly say what the

2

ROUGH DRAFT

3

5

6

10

11

12

13 14

15

16

17

18

19 20

21

22

23

24

25

court is saying, our first meeting of the PSC following this suggested order will be this afternoon and so we hope to get back to court soon. THE COURT: Okay. Item 2, Update.

MR. IRWIN: Yes, your Honor. As I think your Honor can see from the report, additional production on schedule was made this month on June 15th bringing the number of pages so far produced to almost 3 million. There is the expectation that we will be producing yet an additional production by the end of the month.

You know we have only done the productions once a month, that has been our schedule, but our target has been to conclude the domestic production by the end of June, and as a result we'll be making one more production at the end of this month. I would add, however, that I am told that there are still about 15 boxes of documents left. If my friend Mr. Herman were here I am sure he would say that's the good stuff.

But of those 15 boxes of documents I think that we'll have about seven of them done I am told by Mr. Conour by the end of June and we may go a little bit into July to get the last seven boxes done. At which point we are then -- we have already started the process, but I wanted to report to the Court that very soon after that the foreign production will

ROUGH DRAFT

2 begin.

What the details are of it at this point I don't know. I expect to be able to report them with some particularity to your Honor in July, but I know the process has begun because the desire was not to have a gap between the completion of the domestic production and the initiation of the foreign production, so I think it will begin shortly and I will give your Honor great particulars in July.

THE COURT: What's your input on the production of CD ROM rather than hard copies, how is that working just logistically, Mr. Campion, as well as economically?

MR. CAMPION: Logistically I think it's working well. We are seeing the plaintiff's attorneys at the various depositions drawing up documents that they have obviously picked up on the scan and using them for whatever purpose they want. We have heard no complaints from anybody about CD production.

When we make the CD production in accordance with the MDL production we make the CD production in various states under orders that have been ordered there. In West Virginia Mr. Hill who is, I don't want to say he's poster boy of cooperation but he is about as close as we're going to get. I'll speak. There are no complaints that we're hearing about CD production. And from time to time we make hard copy

production.

2.0

2.2

When Mr. Davis and I recently did the deposition in Belgium, I made a production of some documents there, turned out he didn't have occasion to use them because of time constraints but we do both.

THE COURT: How about economics from the standpoint of CD ROM as opposed to hard copy, is there any problem?

MR. CAMPION: The economic saving is enormous for us, and I suspect it is for them. We see them using their screens during the deposition as they think they need and they turn out a hard copy from time to time.

THE COURT: How about retrieval, are you having any problems, are you developing software, how do you retrieve those documents?

MR. CAMPION: There is a directory given with the CD as to how they can pull them down, and we have nobody complaining about that besides from the very first pass so it seems to be working out well.

THE COURT: I think it's helpful for the system and the reason I ask you is because I am getting a lot of inquiry throughout the country on this type or mode of production.

There's always concern about doing something a little differently than what we've been doing over the years, but it's good to hear that it's both economical and timesaving.

Λ

ROUGH DRAFT

MR. CAMPION: Somebody should write an article about it when it's all over.

THE COURT: Are we on electronic service?

MR. IRWIN: Yes, your Honor. Let me mention one other thing that I had a note about. With respect to the production and the electronic data which is the last paragraph of II, I wanted to bring to your Honor's attention that we are continuing to have a few logistical problems in the production of the electronic data. I think in large measure because this has not been done before.

And there was a conference call yesterday and there are several databases that are close to being producible, but we're still having a couple of problems. I wanted to report that your Honor, Aris G, A-R-I-S-G, Isis, CMF, PMF, and I can't read my handwriting, one other database.

MR. DAVIS: CRF.

MR. IRWIN: Thank you. CRF are going to be furnished to Mr. Conour in access 2000 format we believe this Friday, and that we believes he will be able to make arrangements to furnish them to the plaintiffs, subject to our abilities to work out cost issues, within three weeks after that. And so I wanted to report to your Honor where we are on that.

And then finally with respect to the selection of a special master, under Pretrial Order No. 10, there are very

few people in the country who are equipped to serve in this capacity. We have a name that we've been working on, that particular name right now, that person is also consulting for Mr. Campion's firm in Philadelphia, so additional information about the nature of that, it's not on the same case obviously, your Honor, but the nature of that relationship is being given to Mr. Herman's office and there is another conference call I believe tomorrow on that.

We've had trouble getting a special master because there are so few candidates. We had another name earlier I believe and that individual was conflicted out. So we are working on that and that's where we are.

THE COURT: Anything on electronic service?

MR. IRWIN: Your Honor, we had that issue concerning the security and we have agreed to purchase the security module. I phoned Mr. Amdur at Verilaw yesterday to talk to him about that, and the PSC and the defendants are splitting the cost of that. And so that, I hope, can now go off of our agenda for next time.

THE COURT: The next is state liaison counsel.

MR. IRWIN: I thought that Mr. Wright was going to speak first of that, and then if your Honor please, Mr. Campion had some comments about that as well.

MR. WRIGHT: Your Honor, the suggestion that the

2 3

5

9

10

11

12 13

14

15

16

17

18

19

20 21

22

23

24

25

ROUGH DRAFT

plaintiff's committee has is the Court set a date for us to meet with the state liaison group hoping that that can occur on or about the same date as your next status conference in July.

THE COURT: I understand we have a problem with the July date.

MR. WRIGHT: Or whenever you set it.

THE COURT: Yes, I would like to meet with state liaison counsel and discuss matters with them and also at that time I would like the PLC to be represented.

MR. WRIGHT: I think so, too, your Honor. Thank you.

THE COURT: Would you get with my staff afterwards and we'll get a date.

MR. ARSENAULT: Yes, your Honor.

MR. CAMPION: State liaison counsel, one or two points I would like to bring to the court's attention. We have a great many state court cases, but by in large the corporation is very good. Without drawing too much attention to Mr. Hill, the consent orders that he's entering into in West Virginia litigation really are models, and West Virginia and the MDL moving along step by step. Isn't quite that way with New Jersey. I understand that your writ does not extend to New Jersey state court cases, nor do you wish to or should it.

On the other hand there is a member of the Plaintiff Steering Committee, David Giacobbe who is the New

-

ROUGH DRAFT

Jersey representative. We believe it would be helpful if the PSC would invite him to participate at next month's conference.

We have noted one thing which is remarkable about this litigation, when something gets on the agenda it usually gets worked out before the hearing. So if this could go on the agenda, if they could arrange to ask Mr. Giacobbe to attend to discuss matters of, I don't want to say discord but not as much cooperation as possible, perhaps something could be worked out in advance of the July meeting so it would become moot, but we really do believe that that needs to happen.

MR. WRIGHT: We're in accordance, your Honor.

THE COURT: Tell them that the court would like for them to be there. And if necessary let's have an in chambers meeting.

MR. IRWIN: Your Honor, Item 5, would that be the next subject?

THE COURT: Yes

MR. IRWIN: The 30(b)(6) deposition of Mr. Dirk Reyn regarding corporate organization of the Belgium operation took place on June 5 in Belgium, and I'm happy to say went very smoothly. And we just wanted to report that to your Honor.

THE COURT: How long did it take?

MR. CAMPION: Took all day, Judge.

THE COURT: Plaintiff's profile forms, how are you

coming with that?

1.0

2.0

MR. IRWIN: Yes, your Honor. If I may have a moment, please, I was going to get my letters and report to you with more specifics about that.

I think the joint reports as we have in the past where we are with the number of PPFs that have been received. We received 439, there are 102 that are currently overdue and 26 that become due within 30 days.

As I believe the Court knows, we have implemented procedures to regularly communicate the status of overdue PPF's to the Plaintiff Liaison Council, we do that every Friday. Plaintiff's Liaison Counsel then sends out notices to the respective plaintiff counsel.

When the responses become 30 days overdue -- when I say response, that means we hear nothing back -- we then, the Defense Liaison Counsel send a letter directly to the plaintiff counsel informing them that if we do not hear from them that we will present the matter to the Court for dismissal.

At this point, we have prepared two letters and given them to Mr. Herman and Mr. Davis, and of course we have spoken to them about this before we gave them the letters, but the upshot of it is that there are three plaintiffs who have not responded to our separate letters and we will present them for dismissal at the next status conference. We will file a

ROUGH DRAFT

motion by I believe July 3 was the target date, we will attach the necessary suspecting paperwork. Those are plaintiffs who have not responded, those are personal injury plaintiffs.

There are six more consumer plaintiffs who are seeking recision of sale. We have also asked them to respond, they have not responded. We have sent a separate letter to them, so there will be two motions submitted to your Honor in connection with their failure to comply with the PTL No. 9.

THE COURT: And attach documentation showing that you have sent the letters and they have received the letters. They should know and the committee should tell them that I'm going to dismiss the cases if no response is forthcoming.

MR. WRIGHT: Yes, your Honor. The only thing we're concerned about is we know the plaintiffs involved and I think they're going to cooperate and make sure they do.

MR. IRWIN: Your Honor, Item 7, deposition in state matters have been cross noticed. We have had some discussions about our abilities to furnish in advance to the Plaintiffs Steering Committee or Plaintiff's Liaison Council information that we get about all notices of deposition of Janssen employees.

I believe that we have agreed, we are going to agree to furnish them with all of that information. Any time a Janssen employee is noticed at any other state court we will

2

3

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

ROUGH DRAFT

give them advanced notice. And we had some discussions about that yesterday, we weren't quite sure because my office doesn't know that, so it will be coming from Mr. Campion's office exactly how we work out the details but we have a handshake agreement on that.

MR. WRIGHT: Good. And I would add to that your Honor, your Honor, expert witnesses as well.

> THE COURT: The FDA subpoena.

MR. IRWIN: Your Honor, the FDA subpoena is moving along. They initial FDA production was made and then transmitted to, made originally to a representative of I think Mr. Preuss's office who reviewed the information and then it was passed on to the Plaintiff's Liaison Council, yet another follow-up production has been made by the FDA and submitted to Mr. Preuss's office and that is in the process of being reviewed and will be submitted to Mr. Herman's office. impression is that this is proceeding at an acceptable pace.

MR. WRIGHT: Your Honor, although I don't think it's necessary to bring it up. I think we have an additional item in deposition matter. You're going to furnish us with copies of the depositions that have been taken already?

> MR. IRWIN: That is correct.

THE COURT: Service list of attorneys.

MR. IRWIN: Yes, your Honor, if I can get my papers I

23

24

25

ROUGH DRAFT

have something for the Court on that. Your Honor, this is the service list that we have worked hard on, people in Mr. Davis' office and I'll take a little credit for our office, too, and also members of the court's staff and this is an expression of appreciation comes from my office and Mr. Herman's office because they have been very helpful in working with us, especially Ms. Lambert.

And what we have here is the first service list, and I'm going to hand it to Mr. Beyer, it is a list of the plaintiffs attorneys and all of the cases, MDL docket numbers and states. We have the defense service list, we also have it in electronic form so it's fully searchable.

We do not have the e-mail addresses on this yet.

We were shooting to have that, we don't, we hope to have it by next month. We think this is the best service list, but it will always be a work in progress.

THE COURT: How about with the state cases, do we have any list of the attorneys in state court that's not in this court?

MR. IRWIN: I have a list, your Honor. This may be a later item on the agenda, yes, Item 16, your Honor. This is a list that was prepared by Mr. Preuss's office, and this is a list of active cases by state. And we have agreed to furnish this to Mr. Herman's office and we have an extra copy for your

ROUGH DRAFT

Honor if your Honor would like one.

THE COURT: Should that be on our website or not, is that necessary?

MR. IRWIN: Judge, I think we probably need to talk about that.

THE COURT: Okay. And from the state liaison, if you have access, you can have access to any of this material that you need.

MR. HILL: Does it have addresses of lawyers --

MR. IRWIN: It does.

MR. HILL: -- on the state court cases?

MR. IRWIN: It does, I'm going to give you an extra copy.

MR. HILL: Thank you.

THE COURT: One of the reasons that I appreciate all of you being here is that if you do need material that will help you in your state proceedings, this is where you can get it.

As both of you all know, Mr. Hill and Mr. Arsenault, we are endeavoring to work in a way that's helpful to all sides and helpful to the process so that we don't do the same thing twice, we just do it one time. So I do appreciate the input that you have given and also the cooperation that you've given to the case. I think it's helpful.

_

ROUGH DRAFT

MR. IRWIN: Your Honor, if I may move to 9 and 10, ongoing studies. We have served discovery on the Plaintiff's Steering Committee and they also on us with respect to ongoing studies. We have furnished some information with respect to ongoing studies. Their responses will be forthcoming.

We still have not worked out this protocol with respect to the production of information involving ongoing studies, it's protocol that was used apparently successfully in Phen-Fen, and I expect that we will have this resolved before the July meeting and I do not anticipate any problems on it.

THE COURT: Any input from plaintiffs?

MR. WRIGHT: We agree with that, your Honor.

THE COURT: Third party subpoena.

MR. IRWIN: Yes, your Honor. This is a logistical sort of thing. I listed all of the subpoenas, as the court can see, that were furnished by the Plaintiff's Steering Committee.

These are largely advertisers to get advertising information.

I am told by Mr. Davis that about 12 of the 43 subpoena returns have come in. One return from Creative Marketing is subject to an objection, and Mr. Davis furnished to Mr. Campion and me this morning a letter from Creative Marketing. I have not had an opportunity to look at it, but that may become an issue.

This may be with respect to the -- in a larger way, your Honor, we are working on developing a pretrial order

1 1

ROUGH DRAFT

that would provide for the routine handling of third party subpoenas. Because I think it's foreseeable in the next few months that we might see more subpoenas and more documents, and we want to have a uniform procedure for how these documents could be designated as confidential, if they're eligible for such designation, how they might be redacted if they're eligible for redaction.

We're working it out on case by case basis with respect to these 43, but this is providing a vehicle for us to work on a pretrial order that we would submit to your Honor to make this uniform. And it was observed yesterday by Mr. Davis, and I think aptly so, that this might be a good area for the State Liaison Committee to get involved in because the subpoenas are going to find their way to a bunch of different states. And also there is a dynamic between producing these documents simultaneously in state and federal proceedings when they are delivered. So we thought it would be a good idea to consider involving the state committee in some way in that process. We haven't finalized that yet.

THE COURT: Let's keep a heads up on that from the state committee standpoint, you ought to interface, this is an opportunity to find out and to get some input from the various states. It may be different in the states as to what you need and how you go about it.

2.3

MR. ARSENAULT: In connection with that we understand that Judge Corodemus has ordered that certain public relation, advertising documents be produced a month from June 13th, so we may want to coordinate the production of that data which seems to be similar on the subject matter associated with the 43 or so subpoenas.

THE COURT: Okay.

MR. BECNEL: Daniel Becnel. We had a problem yesterday in our meeting as to how we were going to Bates number these types of documents, because they're coming in from all over and the defendants are not Bates numbering them and if we do one we might have multiple Bates numbers, so that may be something that the Court might issue an order on all third parties that we'll have either a central Bates numbering system and then everybody is on the same page then if Mr. Arsenault gets something from one particular third party return and they Bates numbered them, it's going to be total confusion.

THE COURT: I agree with that. That's the key thing because that's the biggest problem that you have in a document intensive case, just nomenclature, numbering, and it gets out of hand. And now is the time to get a handle on it because if you wait too long and you get stacks and stacks and stacks of material without numbering it it will drive you crazy. What can you do about that?

′

1.5

ROUGH DRAFT

MR. BECNEL: Judge, what I was thinking we would do is if the defendants and our team got together and hired some temps or an agency that would do the Bates numbering that they would all be brought to a central location, whether it's our depository or not, Bates number them, we get a copy, they get a copy, we all know what we're dealing with and that way we would have a system.

But, I mean, it could be done as easily outside by an outside vendor if that's cheaper. We were just thinking maybe a Manpower type person could just sit there and do it under the auspices of Penny Herman who is running our document depository in LaPlace.

THE COURT: Whatever the easiest way, you all would know but it seems to me to be worthwhile.

MR. IRWIN: We agree, Judge. That's part of the pretrial order that I alluded to earlier to try to capture this problem and treat it in a uniform way.

THE COURT: Good. Let's get together on that. Meet with the plaintiffs and see what can be worked out and bring in the liaison counsel, too, on that one. We've already talked about 12. Item 13.

MR. IRWIN: Yes, your Honor, I have the motion here.

This is to address, I think we discussed this last month, the fact that some of the documents are described as sealed

•

ROUGH DRAFT

documents. This order would provide for the disclosure of the title and filing party involved in the sealed document. I have the signed motion. May I hand it to Mr. Beyer?

THE COURT: Yes. Tolling agreements, particular in Louisiana we have some difficulty with agreements I'm told.

MR. IRWIN: We have looked into whether there are creative ways to, how do I say this as an officer of the court, get around the code of civil code with respect to the provisions that proscribe and render null any agreements. I think the authors of the civil code are a lot brighter than we are, and there's no way to get around them I don't believe. And if I can use a double negative.

But we have, we want to both the plaintiffs and the defendants want to explore methods in which we can protect Louisiana plaintiffs who want to avoid the process of litigation and we have asked for an opportunity to possibly speak to the Court about filing Louisiana plaintiff's and placing them on an inactive docket, it would not have to go through the PPF process, we would take them up, if we needed to at some point in time. Obviously that would be an imposition on the Court and the Court's offices to accommodate that, but we think in the big picture of the litigation it would be an efficient answer to this question.

THE COURT: Okay. Let's meet on that, we'll try to

work out something that's doable.

MR. IRWIN: We appreciate that, your Honor.

MR. BECNEL: May it please the Court, Daniel Becnel. I have about a thousand of those that I need to file suit on, and Mr. Herman and I have been talking about that but because of our involvement in Tobacco right now, we would like to get this done as quickly as possible only because we want to get them placed here alternatively if we can't work it out then it's going to drive us all nuts trying to file individual or groups of suits.

THE COURT: Let's meet on that sometime next week, give my staff a call and we'll have a conference and we'll talk about logistics, I'll bring in the clerk's office and see how we can set up a special docket type situation.

MR. IRWIN: We are very anxious to work with the Court on that. Thank you, Judge, we will be available any time next week.

THE COURT: Okay.

MR. IRWIN: Your Honor, the Item 15 deals with the status of pending requests for production. I believe that those sentences there are rather self-explanatory. We need to add to that narrative the fact that the plaintiffs have served a second Request for Production of Documents on the defendants and that we will be responding to that, I hope, by the end of

next week.

2.0

And Mr. Davis and I discussed that yesterday. We believe that with respect to those document requests served on the plaintiffs that we have filed and those supplemental one that they have served on us they have filed that whether or not we were able to work all of this out that this is being handled in due course, and if we need to bring it to your attention we will.

THE COURT: Are we on track in both of your views from the standpoint of the discovery aspect of the case and movement of the case?

MR. IRWIN: Your Honor, with respect to these requests that we have furnished and served on the plaintiffs we believe we are on track. If there are any discovery issues that we felt needed to be brought to your attention, we would do so. At this point we're satisfied.

MR. WRIGHT: I think to that extent, yes. What I was concerned about him going into the order that he's going to propose with regard to the further addition to the Court and we're not in accordance with that.

THE COURT: Okay. Anything further, any other item that we need to discuss?

MR. IRWIN: Your Honor, I think there were a couple of items on the agenda towards the end, if you look at it, New

′

2.2

ROUGH DRAFT

Matters.

THE COURT: Let me ask you all on that. The Internet Deposition, I sent you some information on what I was thinking about putting on the website. Do either one of you have any problems with that?

Last time we talked about the Internet Deposition and I thought it would be helpful if we had a link on the court's website to Internet Deposition. I contacted the Internet Depositions provider and they gave us a demonstration. It was my thinking that if we had a link that someone could click on and get to their web page and go from there it would be helpful to the process.

MR. IRWIN: Yes, your Honor. We spoke to about this the other day, and from the defendant's standpoint we have no problems with that particular contractor. Our original concern was we wanted to be assured that people who participated in depositions using that technology were properly in attendance, were legitimately able to participate and that their presence would be known to us, in particular, and we're satisfied that those measures and that security could be and was obtainable.

The discussion that we had with Mr. Beyer, I believe this week, was a concern expressed by Mr. Herman's office and my office about whether listing this deposition contractor on your Honor's website would in some way being an

1 1

exclusive franchise to this deposition contractor, to this deposition provider. An answer that I don't know the answer to and maybe a question more important for the Court than it is for us. Substantively, our security concerns are satisfied.

THE COURT: All right. I'll look it over and make some decision on it.

MR. BECNEL: Your Honor, Daniel Becnel. Your Honor, we've been using that technology in the Rezulin depositions around the country, but the big issue is cost because when you, and we are using it with the two camera system and a program called E-Transcript Server. The cost is very, very expensive if you log on.

And I think, Richard, how much have we been paying an hour?

MR. ARSENAULT: It's \$2 a minute with a maximum of four hours, so if the deposition goes ten hours you still don't have to pay any more then four hours, but it's \$2 a minute with that limit.

MR. BECNEL: It's quite expensive and with that

E-Transcript server program, that person can be shielded from

the defendants, has security built into it so he can't -- let's

say a guy in Minnesota, Mr. Zimmerman's office wants to give a

note to Mr. Arsenault who is taking the deposition in

Philadelphia, he can type it and it will pop on his screen.

ROUGH DRAFT

However, Mr. Irwin's office couldn't see those notes and vice versa.

So I'm sure Mr. Irwin's office knows a little bit about Rezulin and he can see how it's being worked out through the MDL in Philadelphia on Rezulin.

THE COURT: Okay. I'll keep an eye on it and see. What I was trying to do is to just make it easier for people who wanted to look at the website and get some information on it.

But if it can be helpful to the litigants in this case, I want to make it available. I understand there may be some problems.

MR. BECNEL: And, Judge, one last thing. You've got to remember those are uncorrected transcripts.

THE COURT: Right.

so it's kind of a rough transcript.

MR. BECNEL: So everybody has to know it because there -- if you have a good reporter it's pretty darn good. If the court reporter, especially when you're dealing with technical issues sometimes, doesn't get the stuff quite right

THE COURT: Well, the link, if it is put on the court's website would simply have a link to Internet Deposition web page, you click on the link and that would throw you into the web page of either that Internet Deposition or several internet

2 deposition suppliers.

б

Okay. Let's see, cross-claims and answers, new matters.

MR. IRWIN: Yes, your Honor. A couple of the instances where removed, recent removed cases have been brought into court involving pharmacies that have been sued, and the removal was based on fraudulent joinder. If some of those cases the pharmacies had filed cross-claims even in state court before the cases were removed.

And this is in the nature of a request to your Honor for a classification on the record. I think it's fairly clear, but paragraph 7 of Pretrial Order No. 1 provides for a general extension to answer all complaints. The literal reading of paragraph 7 does not say that there is an extension to answer cross-claims.

I would assume that the paragraph 7 extension for answering complaints would implicitly apply to cross-claims, and the purpose of putting this on the agenda was to get your Honor's hopeful approval of that.

THE COURT: I think so. The reason we didn't include cross-claims is because there were none at the time.

MR. IRWIN: That's correct.

THE COURT: But I think the purpose is the same, whether it's cross-claims or other claims.

MR. IRWIN: Thank you, your Honor.

ROUGH DRAFT

THE COURT: So to the extent we need some clarification in that, I'll look to you all to clarify it; but I'll put that in the record my intent is that it is to extend to cross-claims, too.

MR. IRWIN: And we believe that would satisfy the record, your Honor.

Your Honor, Item 2 is yet again another, in the nature of a heads up, mindful that your Honor likes heads up. I don't think this is a major issue, but in a couple of the state court cases there have been disagreements as to whether the plaintiffs, consumer plaintiffs, plaintiffs seeking recision of sale from the purchase of their Propulsid, whether they should be called upon to answer the plaintiff profile forms. We have not had that problem here at the federal MDL. I don't expect we will.

Our position is that if a consumer plaintiff feels that they did not get value for the medication, we are entitled to understand what they used the medication for, we are entitled to understand what the medical condition was, and therefore, we believe, that they should answer the PPF. And they are doing so.

And so I bring that to your Honor's attention only because it has been a problem, I don't think of any significant

magnitude in the state courts and not a problem here. But it was merely to report it to your Honor.

THE COURT: I think that from the standpoint of the state liaison, you want to get that message out to your people. Anybody who is going to take advantage of the process, any plaintiff who is going to participate in the discovery or participate in the process has to also follow the rules of the game.

And so to the extent that I can do something about it, I will do something about it. I want the plaintiffs to participate to the same extent that the defendants participate, to give information. Each side ought to know what the other side's claims or defenses are, so let's make sure everybody knows that.

Uniform certificate of service.

MR. IRWIN: Yes, your Honor. Now that we have some new parties coming in, some new defendants, and I might add as an aside that it might be appropriate to invite these defendants to our next meeting, some are here today, and it might be appropriate to discuss whether there is a need for a separate and distinct liaison counsel, but the purpose of Item 3 on new matters is to explore providing for a uniform certificate of service because we do have unique, and we believe, very good electronic service capability now. It's really beginning to

work well.

But you need to have a uniform certificate of service that says basically I have furnished a copy of this pleading to liaison counsel in hard copy and electronic form and I have also uploaded a copy for E service to Verilaw. I think understandably some of the new parties who are coming in might not understand that process because this is an unusual process and I think a uniform certificate of service could be helpful.

Mr. Davis and I were talking about that and we were in the process of working on one and would propose to shit a joint motion to the Court to address that.

THE COURT: That's fine. Let's do it and we'll put that in our form section on the website so that people can pull it down and look at it.

MR. IRWIN: And finally, your Honor, the July status conference is the need to explore trying to pick a new date because of scheduling issues.

THE COURT: What date do we have for it?

MR. IRWIN: July 19, your Honor.

THE COURT: Before or after the 19th, what's your

input?

MR. HILL: After.

MR. IRWIN: Your Honor, I would think after the 19th

1 ROUGH DRAFT would help give us a little more time to work on this class 2 certification schedule, too. 3 THE COURT: How about the 26th, the following Thursday? MR. BECNEL: Judge, we have the MDL in Chicago that day 5 and I'm arguing and Russ is going to be there also. 6 THE COURT: Some other day that week, would that work that week? MR. BECNEL: The 25th? 9 MR. DAVIS: Can't do it. 10 11 THE COURT: I'll try to accommodate you. 12 MR. DAVIS: I don't think Russ is available. 13 MR. IRWIN: Mr. Davis does not think Mr. Herman is available on the 25th. Let's do the 27th then. 14 MR. DAVIS: Your Honor, I've spoken to Russ and Russ 15 16 has given me these dates that are good for him, July 27, August 17 the 3rd, which is the following week and August the 10th, August the 17th, those were the best days for him. 18 THE COURT: How about August the 3rd, will that work? 19 20 MR. HILL: That's perfect. 21 MR. IRWIN: Yes. 22 MR. DAVIS: Your Honor, I would presume that you would 23 like the entire Plaintiff Steering Committee and state liaison 24 invited to that? 25 THE COURT: Yes.

1 ROUGH DRAFT 2 MR. WRIGHT: And we'll have our meeting then also. THE COURT: I can do that. 3 MR. IRWIN: Yes. Then I'll meet with the committee after the 5 THE COURT: meeting here, state and the liaisons for plaintiff and 6 defendant. MR. IRWIN: Your Honor, would it be appropriate for us to ask to meet with you at the end of the day, Mr. Campion, 9 Mr. Preuss and Mr. Irwin? 10 11 THE COURT: Sure. 12 MR. IRWIN: Okay. Thank you. THE COURT: Anything else before we go? 13 MR. FOSTER: Yes, your Honor, I would like to speak to 14 the court for a moment. 15 THE COURT: Would you make your appearance for the 16 17 record, please, sir. MR. FOSTER: My name is Frank Foster, I represent 18 Clinic Drugstore of Golden Meadow in Civil Action 1296, civil 19 action 1296 on the docket of the court. 20 In that case it's only the significant case, your 2.1 22 Honor. No more than two, maybe three of the plaintiffs in the case involve my client, and it's the only suit in which we are 23 involved in all of this litigation. And I would like for 24 clarification from the court just which of these orders and 25

2.0

2.4

pretrial meetings that the court wants us to be in? I have no idea at this time, since it's a new suit, whether there's any basis in fact or law for our client to be party, if there is, then of course the court should, I presume remand, if there is, at least the court would have jurisdiction, but if not, then the court should remand.

And we're getting ready to seek that information now, but I don't think under those circumstances that we would be obliged to furnish everybody who has no interest whatsoever in this particular matter that we've been discussing here today and have been ongoing apparently for a good while.

THE COURT: It has and it looks like it may well be. Let me hear from the parties on that. Mr. Campion.

MR. CAMPION: Your Honor, it doesn't appear to the defendant Janssen and Johnson & Johnson that these pharmacies have any place in this litigation. Now, how that is done formally or informally seems beside the point.

This battle is between the plaintiff and the drug company, that's what it should be. And I think some arrangement should be entered into that the ladies and gentlemen who have been called upon to represent these pharmacies are allowed to step down. I would suggest that we be given until August 3rd to see if we can come to some accomodation, and failing that then the matter would have to

3

5

7

9

10

1 1

12

13

14

ROUGH DRAFT

come before you in some motion form.

MR. FOSTER: With this court's permission then, we will do nothing forward discovery until after the meeting of August the 3rd.

THE COURT: That's fine.

MR. FOSTER: Thank you very much.

THE COURT: From the plaintiff's standpoint, you should confer with the defendant to see if it can be worked out. If it can't, bring it to me so I can work it out.

MR. WRIGHT: Your Honor, we have asked as Y and J to provide us with the indemnity agreements, these are the pharmacy agreements, and I think that should be forthcoming, right?

MR. CAMPION: They have made a request for such indemnity agreements. We have only given a couple. We are collecting them.

We have some differences of opinion, particularly the state of Texas, as to what some of these things should be so it's a matter in progress. But as to those which we have been given indemnity agreements we will provide them to the other side.

THE COURT: This may well be moot, so we'll deal with it, if I need to deal with it I will, but you all meet before the next meeting and see if you can resolve it.

15 16 17

18

19

2.0

21

22

23

25

2.4

2

ROUGH DRAFT

3

5

8

9 10

11 12

13

14

15

16

17

18 19

2.0

22

2.1

23

24

25

MR. BECNEL: These issues were covered pretty much in Phen-Fen, and, in fact, I was involved in a lot of motion practice dealing with it. In some they were separate, some cases they were kept in, some cases there were indemnity agreements. If you consider all opinions all over the board on that very issue.

THE COURT: All right. Anything from the liaison, any problems you all are having, any difficulties, any suggestions that you have.

MR. ARSENAULT: There are no real problems. We have been trying to monitor the depositions all over the country, and the one problem is that some of the depositions have just not been hitting our radar screen.

The defendants have represented to us yesterday and today that they're going to take steps to make sure we're notified of all depositions. For example, Dr. Spielberg's we learned during the deposition that they had just been deposed 10 or 15 days before and an expert Morganworth was deposed this Monday that we were unaware of that we would have liked to have notice of.

We are meeting weekly with New Jersey counsel. We do not bring that Morganworth deposition to our attention. learned about it after the fact. But the defendants assured that they were, and I don't think it's through any fault of

2.3

ROUGH DRAFT

theirs, for all of us to try to get a better idea of what depositions are taking place.

THE COURT: Don't we have all of that on the calendar in Verilaw? I thought that was a part of the calendar.

MR. IRWIN: Judge, the only thing that we put on the calendar are depositions noticed in the MDL.

THE COURT: I see. Why not put on the calendar depositions?

MR. IRWIN: That might be a good way.

THE COURT: If we put every deposition that's scheduled on the calendar then all you have to do is pull it up and look at it.

MR. WRIGHT: That would be wonderful.

THE COURT: Is there any adverse feeling about that?

MR. IRWIN: I'm not sure, Judge. I think that we obviously have agreed that we're going to give them this information. I don't know offhand, I can't think of a problem but I would like to look into it.

THE COURT: It's easier and you put an S by it meaning state court or some such designation so that you know that it's a state court proceeding, but at least everybody would have it. It would be easier from your standpoint rather than describing who you give it to or who you don't give it to.

MR. IRWIN: That sounds right to us, Judge. We'll have

1	ROUGH DRAFT
2	to look into it.
3	THE COURT: Talk about it and see if we can handle it.
4	MR. ARSENAULT: Yes, your Honor.
5	THE COURT: If not, get me involved and I'll handle it.
6	MR. IRWIN: I don't think we want to get you involved
7	in this.
8	THE COURT: Okay. Anything else, any other problems
9	that we can deal it? Okay. Folks see you next trip. The
10	court will stand in recess.
11	THE DEPUTY CLERK: All rise.
12	(WHEREUPON, THE PROCEEDINGS WERE CONCLUDED.)
13	
14	* * * * *
15	
16	REPORTER'S CERTIFICATE
17	
18	I, Karen A. Ibos, CCR, Official Court Reporter, United
19	States District Court, Eastern District of Louisiana, do hereby
20	certify that the foregoing is a true and correct transcript, to
21	the best of my ability and understanding, from the record of
22	the proceedings in the above-entitled and numbered matter.
23	
2 4	
2 5	